



City of Santa Barbara

Waterfront Department

www.SantaBarbaraCA.gov

CITY OF SANTA BARBARA
WATERFRONT DEPARTMENT
132-A HARBOR WAY
SANTA BARBARA, CA 93109

REQUEST FOR QUALIFICATIONS

November 19, 2010

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132 A Harbor Way

Santa Barbara, CA

93109

Notice is hereby given that a Request for Qualifications will be received to lease and operate a **COASTAL CRUISING CONCESSION AT 219-G STEARNS WHARF** per attached specifications. Proposals will be received in the Waterfront Department Business Office, located at 132 A Harbor Way, Santa Barbara, California, 93109 until **3:00 PM Thursday, January 6, 2011**. If further information is needed, contact Scott Riedman, Waterfront Business Manager, at 805.897.1969 or Sriedman@SantaBarbaraCA.gov.

MAILED Proposals should be addressed as follows:

City of Santa Barbara
Waterfront Department / Attention Scott Riedman
132-A Harbor Way
Santa Barbara, CA 93109

It is the responsibility of the Offeror to see that any proposals submitted shall have sufficient time to be received by the Waterfront Department prior to the proposal opening time. **Late proposals, regardless of postmark date, will be rejected.**

The receiving time in the Waterfront Department will be the governing time for acceptability of proposals.

A handwritten signature in blue ink that reads "Scott Riedman".

Scott Riedman
Waterfront Business Manager

REQUEST FOR QUALIFICATIONS

CRUISE CONCESSION AT 219-G STEARNS WHARF

A. INTRODUCTION

The City of Santa Barbara / Waterfront Department is seeking an established business entity to operate a cruise boat concession from the Passenger Loading Ramp and ticket kiosk on Stearns Wharf, Santa Barbara. The site has been used as a passenger embarkation /debarkation site for coastal cruises, dinner cruises, party cruises, whale watching cruises, and harbor tours for over 25 years. A parasailing business operated from the site between 1998 and 2004. This is a rare business opportunity on Stearns Wharf, one of Santa Barbara's most popular visitor destinations.

Purpose

The purpose of this Request for Qualifications and Request for Proposal process is to select a qualified and experienced operator and best acceptable proposal to re-establish a cruise boat operation from Stearns Wharf.

The Waterfront Department ("Department") is seeking businesses that have the proven experience, financial resources, and professional expertise to develop and operate a cruise boat operation from Stearns Wharf.

Process

The Department will conduct a two-phase screening and selection process. The first phase, the Request for Qualifications (RFQ), will enable the Department to get to know your company organization, your experience in the charter/ cruise boat business, your financial resources, and your *general* concept for the business. A Selection Committee will review your qualifications and recommend to the Department a priority list of the top candidates to be invited to participate in the second phase, the Request for Proposals (RFP).

The RFP phase will involve the submission of definitive business plans, five-year projection of revenue and expenses, timing of the project, financing plans and credit check. The Selection Committee will review the RFP submittals and recommend a candidate for lease negotiations. Based on qualifications, the Department may enter into exclusive lease negotiations with a selected business. The Department expects to successfully negotiate a lease with the selected business, however, if negotiations are unsuccessful, the Department will enter into negotiations with the next selected business, and so on.

The Department reserves the right to reject any and all proposals submitted.

B. GENERAL INFORMATION

The City of Santa Barbara / Waterfront Department is responsible for managing approximately 252 acres of tidelands and water area including the Harbor, the Harbor commercial area, Stearns Wharf, and eight parking lots along Cabrillo Boulevard between Leadbetter Beach and East Beach. The Waterfront Department is an Enterprise Fund of the City of Santa Barbara and does not receive any tax revenue. The Department operates from revenue generated from the resources it manages; primarily lease (rent) revenue, marina and slip fees, and parking fees. The Waterfront Department's operating revenue for Fiscal Year 2011 (July 1, 2010-June 30, 2011) is budgeted at \$11,750,000 and the operating expense budget is \$10,943,000.

Stearns Wharf was originally built in 1872. It is currently the location of 17 businesses composed of several well-established restaurants, Santa Barbara Museum of Natural History's Ty Warner Sea Center, various gift and retail shops, a bait & tackle shop, boat rides and coastal cruises. (Attachment 1) A water taxi service which transports passengers between the Harbor and the Wharf has been in operation since 2003.

Stearns Wharf has 150 parking spaces with nearby overflow parking in the Palm Park lot (267 spaces) and the Garden Street lot (214 spaces). The first 90 minutes of visitor parking on Stearns Wharf are free with a merchant validation stamp; otherwise, parking on the Wharf is \$2.50 per hour or part of an hour. Business owners and employees are required to park off of the Wharf per California Coastal Commission permit requirements and to allow for maximum parking availability for Wharf patrons. Annual parking permits for off-Wharf overflow parking lots are available for \$95 per calendar year and are honored in all Waterfront lots except Stearns Wharf.

The Santa Barbara Chamber of Commerce estimates that 2 million visitors per year visit Stearns Wharf, approximately the same amount as the Mission. Santa Barbara averages 19,000 visitors a day, 365 days/year. Of these, approximately 7,500 stay overnight. Waterfront Department records indicate that the businesses on Stearns Wharf generated in excess of \$16,122,000 in sales in 2008 and \$14,490,000 in 2009 (Attachment 2).

The Department actively participates in the Stearns Wharf Business Association and the Harbor Merchants' Association by attending monthly meetings, paying monthly dues, and participating in cooperative advertising programs and community events such as the July 4th Fireworks show and the December Holiday Boat Parade of Lights, which is judged from the Wharf. Membership in the Stearns Wharf Business Association is mandatory for all Wharf businesses and dues for the cruise boat operator have been \$31 per month for over 20 years.

The County of Santa Barbara levies a 'possessory interest tax' each year which is a type of property tax that is applied when a business leases property from a government entity such as the City of Santa Barbara / Waterfront Department. The tax may range from approximately \$1,100 to \$1,500 per year depending on the rent and length of term negotiated. The City Waterfront Department does not receive any of the possessory interest tax revenue.

A berth is being held available for rent for the successful applicant in Marina 4, B finger, which will accommodate a vessel of up to approximately 80 feet in length with 25 foot beam. (Attachment 3) Rent for the berth is proposed to be \$2,200 per month. County possessory interest tax for the berth is estimated at approximately \$1,300 per year.

C. BUSINESS TERMS- GENERAL

A sample license agreement and personal guarantee are available for review on the Waterfront Department website:

www.SantaBarbaraCA.gov/Government/Departments/Waterfront/Leasing+Opportunities. It is the responsibility of the applicant to review the license agreement, examine the economic environment, and make such further investigations as are necessary or appropriate to ensure that the nature of the undertaking and the obligations to be assumed by the applicant are fully understood.

Following the selection of a proposal by the Harbor Commission, the Waterfront Department intends to negotiate a license agreement with the selected party based generally on the following terms. The final license agreement will be subject to the recommendation of the Harbor Commission and final approval of City Council.

1. **Permitted Uses:** A coastal cruise business that may use one or more vessels. Permitted uses may include coastal cruises, dinner cruises, party cruises, weddings, whale watching cruises, harbor tours, memorial services/ash scatterings, and other boating opportunities for Stearns Wharf visitors and local residents.
2. **Proposed Term:** Initial term of five years, with the possibility of one five-year option to extend, depending on the nature of the proposed operation.
3. **Proposed Minimum Monthly Rent:** \$750- \$1,000 per month.
4. **Proposed Percentage Rent:** 15% of gross receipts or the minimum monthly rent, whichever is greater.
5. **Required Personal Guarantee:** The City's standard personal guarantee will be required if the lessee is a corporation.

6. **Required Insurance:** Lessee will be required to provide the City's required insurance with coverage limits not less than \$1,000,000 commercial general liability, naming the City as additional insured, as well as protection and indemnity insurance.

D. REQUEST FOR QUALIFICATIONS

Applicants will be given until Thursday, January 6, 2011 at 3:00 p.m. to submit a response to this RFQ.

Submission requirements – Phase 1: Request for Qualifications

It is highly recommended that applicants make arrangements to view the site prior to responding to the RFQ. For access to the premises, please contact Scott Riedman, Waterfront Business Manager, at 805.897.1969 or Sriedman@SantaBarbaraCA.gov to view the site.

Applicants must submit the following information to the Waterfront Department:

1. **Identification:** Provide name of business owner and/or operator, project manager, designer, significant partners, or corporate officers as applicable. Resumes are recommended.
 - a. **Project Description:** Provide a narrative description of the concept for the business and services provided.
 - b. Estimate of annual gross sales & percentage rent to City.
2. **Licensing:** Identify the type of Coast Guard license that the applicant currently possesses.
3. **Experience:** Provide a description /resume of the applicant's experience in the cruise business. Describe a previous project(s) in which the applicant was involved in that is similar to what is being proposed in the RFQ /RFP. Indicate the length of time and locations at which the applicant has operated a similar business.
4. **Vessel(s):** Identify the vessel(s) to be used in the operation and whether or not they are currently in your possession or the estimated length of time it would take to acquire such vessel(s). Include the length, beam, passenger capacity and Coast Guard inspection status.
5. **Financial Information:** Provide information indicating applicant has sufficient financial resources to support the start up of the business and /or acquisition of the vessel(s), if applicable. Submit a financial statement

indicating total net worth. The statement should correspond to the most recent full calendar year or fiscal year. Submit any other documents or reports that would assist in determining the financial condition of the applicant. **Financial information will be kept confidential and destroyed or returned to the applicant following the evaluation process.**

Waterfront Department staff and the Selection Committee will carefully review the responses to the RFQ. The Department may request that applicants clarify, modify or submit additional information. Department staff and the Selection Committee may conduct interviews with applicants under serious consideration. A limited number of the most highly qualified applicants will be selected to participate in the second phase /Request for Proposal (RFP).

E. SELECTION CRITERIA

In reviewing and evaluating the applications submitted, the Selection Committee and Waterfront Department will consider the following (not necessarily in priority order):

1. Applicant's and/or team experience and qualifications in the cruise business;
2. Clarity of the business concept;
3. Financial strength of applicant and current relationships with financing sources;
4. Ability of applicant to generate percentage rent.

F. PUBLIC INFORMATION NOTICE

All information received from proposers will be considered confidential during the review process. When the Selection Committee completes the review of both the RFQ and the RFP, the Committee will recommend selection or another action to the Harbor Commission. At that point, all information, except that information defined below as excluded, will be treated as public information and made available upon request for review to the other proposers and the public.

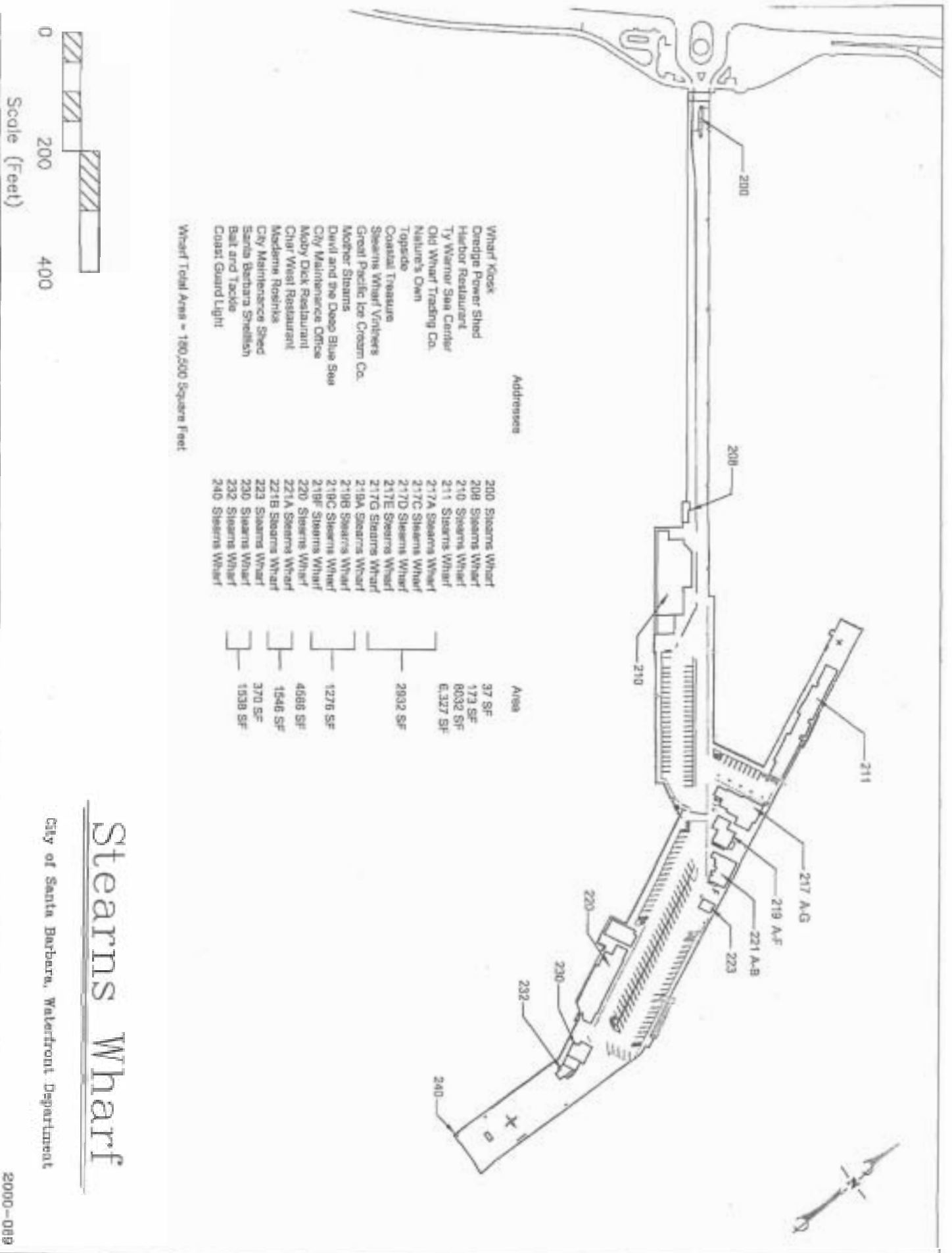
All excluded information which contains financial assets, net worth and other such information of non-public nature, including real estate appraisals and ratings sheets and other notes resulting from the evaluation process, will be treated as confidential information by the City and will not be made available for public review or to other proposing parties.

G. SUBMITTAL DEADLINE

Proposals will be received in the Waterfront Department Business Office, located at 132 A Harbor Way, Santa Barbara, California, 93109 until **3:00 PM, Thursday, January 6, 2011.**

Attachments:

1. Site Plans
2. Stearns Wharf gross sales 2001-2009
3. Marina 4-B berth
4. Santa Barbara Harbor cruise vessels



Stearns Wharf

City of Santa Barbara, Waterfront Department

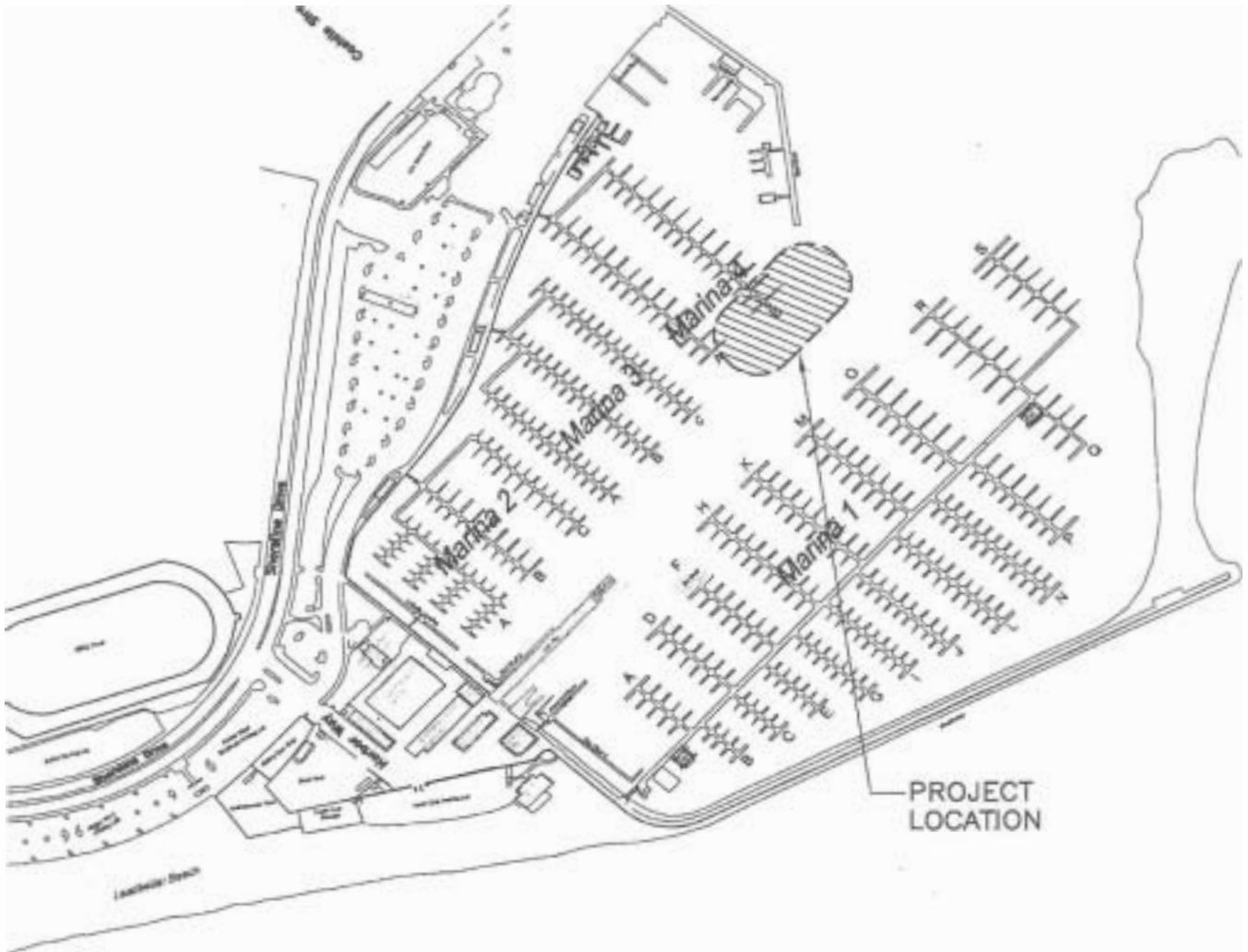






Stearns Wharf Sales History
2001-2009

2001	\$	14,263,000
2002	\$	13,956,000
2003	\$	13,881,000
2004	\$	13,691,000
2005	\$	14,690,000
2006	\$	15,867,000
2007	\$	15,994,000
2008	\$	16,122,000
2009	\$	14,490,000



VICINITY MAP

NOT TO SCALE

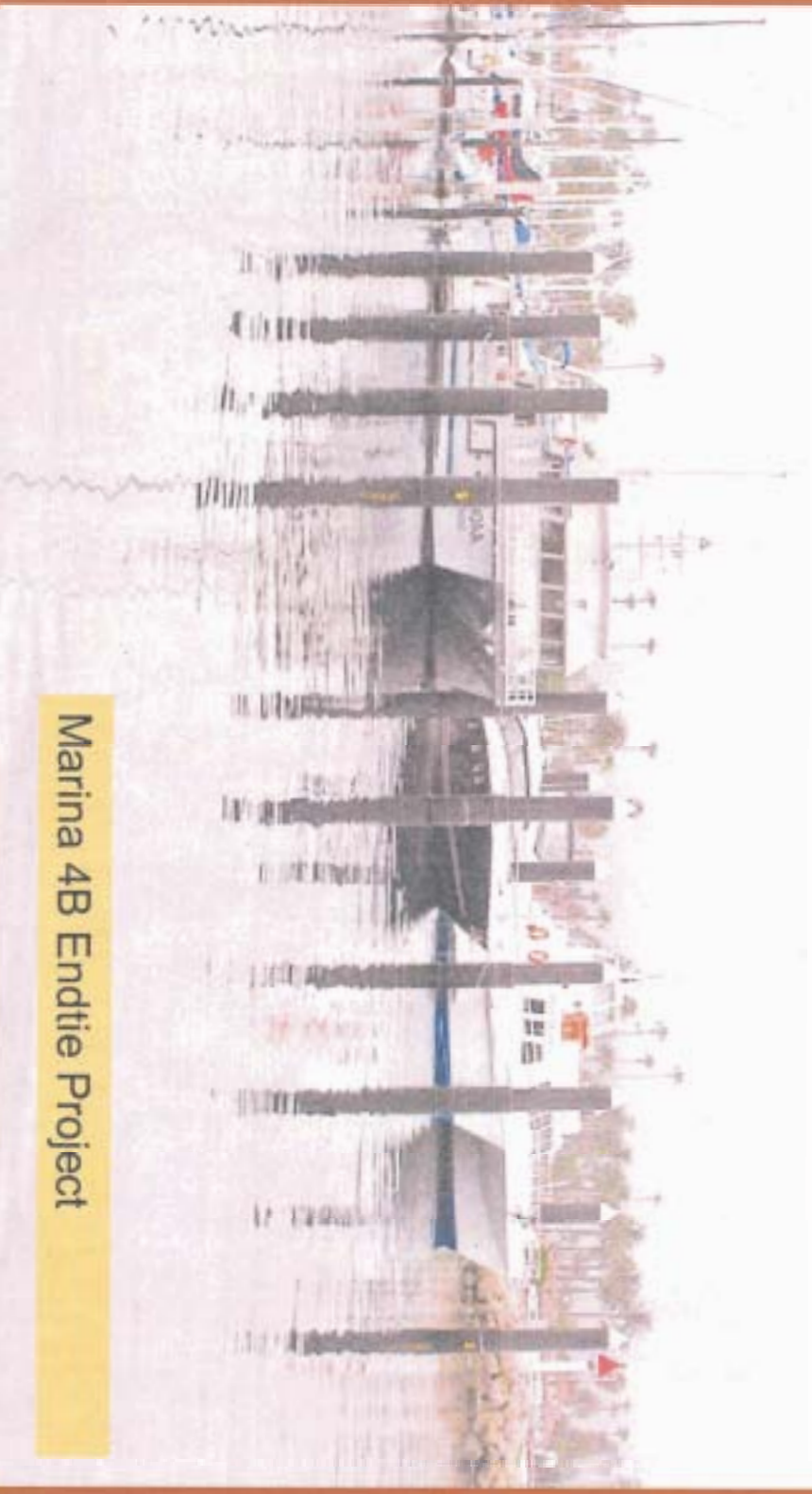
URS

CASH & ASSOCIATES

(714)895-2072
JOB# 6077.00



Waterfront Department



Marina 4B Endtie Project

Location	Business	Website	Vessel	Gross Sales 2009	Vessel Information
Stearns Wharf	Captain Don's Cruises		M/V Harbour Queen	\$ 86,409.00	49 Passenger 36' LOA
Harbor / Stearns Wharf	Santa Barbara Water Taxi	www.sbwatertaxi.com	M/V Lil' Toot	\$ 111,008.00	22 Passenger Crosby tug 27' LOA
Harbor	Sea Landing	www.condorcruises.com	M/V Condor Express	\$ 1,192,120.00	149 Passenger High-speed aluminum catamaran 75' LOA
Harbor	Santa Barbara Sailing Center	www.sbsail.com	S/V Double Dolphin	\$ 273,058.00	49 Passenger Sailing catamaran 50' LOA
	Santa Barbara Sailing Center		S/V Channel Cat		149 Passenger Sailing catamaran 85' LOA (Luxury charters)
Harbor	Sunset Kidd Sailing Charters	www.sunsetkidd.com	S/V Sunset Kidd 2	\$ 134,353.00	18 Passenger Morgan Ketch 41' LOA